

## Message Text

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ACTION IO-14

INFO OCT-01 ISO-00 ACDA-19 CIAE-00 INR-10 L-03 NSAE-00

NSC-10 RSC-01 SCI-06 SCEM-02 AF-10 ARA-16 EA-11

EUR-25 NEA-10 OIC-04 DODE-00 PM-07 H-03 PA-03 PRS-01

SS-15 USIA-15 RSR-01 IOE-00 /187 W  
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P R 041213Z SEP 73

FM USMISSION IAEA VIENNA

TO SECSTATE WASHDC PRIORITY 3326

INFO AEC/GERMANTOWN

UNCLAS SECTION 1 OF 2 IAEA VIENNA 7252

EO: 11652: N/A

TAGS: AORG, OCON, IAEA

SUBJ: IAEA BOARD OF GOVERNORS MEETING - SEPT 14, 1973

REF: A. IAEA VIENNA A-468

B. IAEA VIENNA 7030

C. IAEA VIENNA 7228

D. IAEA VIENNA A-442

E. STATE 171069

1. SUMMARY: PRE-GENERAL CONFERENCE BOARD MEETING EXPECTED TO BE QUITE LIVELY, WITH EXTENSIVE DISCUSSIONS ON DURATION/TERMINATION PROVISIONS OF SAFEGUARDS AGREEMENTS AND ON SEVERAL FINANCIAL ITEMS. AT THIS TIME, SITUATION WITH REGARD 1974 BUDGET STILL EXTREMELY FLUID. BOARD EXPECTED APPROVE MONGOLIAN MEMBERSHIP APPLICATION AND AMENDMENT TO COOPERATION AGREEMENT WITH US. MISSION COMMENTS AND RECOMMENDATIONS ON AGENDA ITEMS TO BE DISCUSSED FOLLOW BELOW. ACTION REQUESTED: INSTRUCTIONS FOR MEETING. END SUMMARY.

2. ADOPTION OF AGENDA: LIST OF ITEMS FOR PROVISIONAL AGENDA (GOV/1620) HAS BEEN EXPANDED BY ADD. 1 OF AUG 24 INCLUDING ITEMS 10 AND 11 BELOW. AGENDA INCLUDES NO ITEMS PRESENTING PROBLEM FOR UNCLASSIFIED

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US. ITEM 4 (REACTOR PROJECTS) MAY BE DROPPED AT TIME OF MEETING

IF NONE READY FOR APPROVAL. MISSION RECOMMENDS US SUPPORT ADOPTION OF AGENDA.

3. AGENDA ITEM 1 - SAFEGUARDS: A) AGREEMENTS: STANDARD AGREEMENT PURSUANT TO NPT WITH SWAZILAND CONTAINED GOV/1619. MISSION RECOMMENDS APPROVAL THIS AND ANY OTHER STANDARD-TYPE AGREEMENTS CIRCULATED PRIOR TO BOARD MEETING.

B) FORMULATION CERTAIN PROVISIONS UNDER AGENCY'S SAFEGUARDS SYSTEM: DOCUMENT GOV/1621, SUBJECT NUMEROUS SEPTELS, SEEKS BOARD VIEWS CONCERNING FORMULATION OF DURATION/TERMINATION PROVISIONS OF SAFEGUARDS AGREEMENTS CONCLUDED BY AGENCY PURSUANT INFCIRC/66/REV. 2. DRAFT PAPER IS RESULT EXTENSIVE CONSULTATIONS AMONG VIENNA MISSIONS, BUT FRENCH AND PROBABLY OTHER NON-NPT PARTIES (WHO WOULD BE AFFECTED BY THIS PROPOSAL) ARE EXPECTED TO MAKE STRONG STATEMENTS OF OBJECTION OF ENTIRE EXERCISE. MISSION ENCOURAGING OTHER PARTIES IN PRELIMINARY CONSULTATIONS TO MAKE STATEMENTS IN SUPPORT OF PROPOSAL TO ASSURE STRONG RECORD, AND RECOMMENDS US STATEMENT TO SAME EFFECT AND CONCURRENCE IN CONCEPTS SET OUT IN DOCUMENT. IN VIEW STRONGLY-HELD OPINIONS ON THIS SUBJECT BY SOME BOARD MEMBERS (E.G. FRANCE), IT IS POSSIBLE THAT QUESTION OF SUPPORT OF PROPOSAL COULD COME TO VOTE. MISSION WILL DO EVERYTHING POSSIBLE TO AVOID SUCH EVENTUALITY, BUT IF THIS SHOULD OCCUR ASSUME THAT US SHOULD VOTE IN FAVOR AND URGE OTHERS TO DO LIKEWISE.

C) STAFF OF INSPECTORATE: DG REQUESTS (GOV/1623) DELETION THREE MEN FROM LIST OF AUTHORIZED SAFEGUARDS INSPECTORS AND ADDITION FOUR NEW STAFF MEMBERS WHO HAVE ALREADY OR ARE EXPECTED TO JOIN INSPECTORATE BY END OF SEPTEMBER. BIO DETAILS IN PROPOSED NEW INSPECTORS SEPTTEL. UNLESS DEPT/AEC PERCEIVE OBJECTION TO ANY OF PROPOSED NEW STAFF MEMBERS, MISSION RECOMMENDS US CONCUR.

4. AGENDA ITEM 2 - MONACO LABORATORY: REF A TRANSMITTED GOV/1618, IN WHICH DG PROPOSES EXPANSION OF ACTIVITIES OF MONACO LAB. MISSION HAS DISCUSSED LANGUAGE PARA 6 OF DOCUMENT, PROVIDING THAT LAB SHOULD USE ONLY NUCLEAR METHODS AND TECHNIQUES OR THOSE OTHERS AS IT NOW EMPLOYES, WITH BEASLEY, DIRECTOR OF LAB. BEASLEY STATES THIS LANGUAGE INSERTED LARGELY DUE TO VIEWS OF AGENCY ADMINISTRATION RE INTERPRETATION STATUTORY FUNCTIONS, AND FELT THAT IT WOULD NOT RPT NOT UNDULY RESTRICT HIS OPERATION. IN ADDITION, PER REF UNCLASSIFIED

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A, MISSION PROPOSES US MAKE STATEMENT NOTING VARIOUS CONDITIONS EXPRESSED IN PARA 6 OF DOCUMENT, BUT POINTING OUT THAT OBJECT OF THIS EXERCISE IS TO SEEK ANSWERS TO CERTAIN PROBLEMS IN MOST APPROPRIATE AND SCIENTIFICALLY JUSTIFIED MANNER; WHILE AGREEING WITH SPIRIT OF CONDITIONS AS EXPRESSED BY DG, WHICH REFLECT CONCERN THAT GROWTH OF LAB'S ACTIVITIES SHOULD NOT GET OUT OF CONTROL, WE WOULD ASSUME THAT LITERAL PROVISIONS OF DOCUMENT WOULD BE INTERPRETED BY RULE OF REASON IN MANNER SUCH THAT LAB ACTIVITIES NOT

HAMPERED OR UNDULY RESTRICTED. MISSION FEELS THAT SUCH STATEMENT INCLUDED IN RECORD WOULD REMOVE ANY LINGERING PROBLEM THAT LANGUAGE MIGHT CREATE. ACCORDINGLY, MISSION RECOMMENDS US JOIN CONSENSUS TAKING NOTE OF PROPOSED EXPANSION OF LAB ACTIVITIES AFTER MAKING STATEMENT ALONG ABOVE LINES.

5. AGENDA ITEM 3 - OCEAN DUMPING CONVENTION: GOV/1622 NOT YET CIRCULATED, BUT CONTENTS DESCRIBED REF B, EXCEPT THAT FINAL VERSION UNDERSTOOD TO OMIT REFERENCE TO FEB 14 BOARD, AND REFERS ONLY TO FUTURE ACTION. NO ACTION WILL BE PROPOSED FOR THIS BOARD SESSION. MISSION SUGGESTS BRIEF US STATEMENT COMMENDING DG FOR SPEED WITH WHICH AGENCY MOVING IN MEETING ITS RESPONSIBILITIES UNDER LONDON OCEAN DUMPING CONVENTION, AND EXPRESSING CONFIDENCE THAT FEBRUARY BOARD WILL BE ABLE TAKE APPROPRIATE ACTION ON MATTER.

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INFO OCT-01 ISO-00 ACDA-19 CIAE-00 INR-10 L-03 NSAE-00

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6. AGENDA ITEM 4 - REACTOR PROJECTS: MISSION AWARE OF NONE LIKELY TO BE READY IN TIME FOR SUBMISSION TO SEPTEMBER BOARD SESSION. ITEM WILL PROBABLY BE DROPPED WHEN BOARD MEETS.

7. AGENDA ITEM 5 - APPOINTMENT OF MEMBER OF SAC: REF C REPORTED THAT SOVIETS WILL PROPOSE ACADEMICIAN A.A. LOGINOV, DESALINATION EXPERT, TO REPLACE CURRENT SOVIET MEMBER OF SAC, IVAN CHUVILO. DG EXPECTED MAKE SUCH RECOMMENDATION. SINCE SAC IS ADVISORY BODY FOR DG, MISSION RECOMMENDS US CONCUR IN DG'S RECOMENDATION OF LOGINOV

AS REPLACEMENT MEMBER.

8. AGENDA ITEM 6 - EMOLUMENTS OF STAFF:

A) POST ADJUSTMENT: GOV/1626 (COPY AIRMAILED IO/SCT - KENT 8/31) PROPOSES INCREASE FOR FOUR CLASSES OF POST ADJUSTMENT (IN ADDITION TO EIGHT CURRENTLY RECEIVED BY PROFESSIONAL AND HIGHER STAFF) RETROACTIVE TO JULY 1 AND TWO MORE, FOR TOTAL OF SIX ADDITIONAL CLASSES, EFFECTIVE AUG 1. CHANGES ARE REQUIRED DUE TO REDUCTION OF OFFICIAL UN EXCHANGE RATE FROM 21.00 AUSTRIAN SCHILLINGS (AS) TO US \$1.00 DURING JUNE, TO AS 18.70 TO US\$1.00 DURING JULY AND TO AS 17.60 TO US \$1.00 DURING AUGUST. FYI: AGENCY REPORTS THAT OFFICIAL UN RATE WILL PROBABLY BE INCREASED TO AS 18.00 TO \$1.00 FOR SEPTEMBER, BUT THIS WILL NOT BE ENOUGH TO RE-UNCLASSIFIED

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DUCE NUMBER OF CLASSES OF POST ADJUSTMENT REQUIRED. END FYI. UNIDO STAFF IN VIENNA HAVE BEEN RECEIVING POST ADJUSTMENTS AT THOSE LEVELS SINCE EFFECTIVE DATES OF CHANGES IN UN EXCHANGE RATE. MISSION RECOMMENDS US APPROVE RECOMMENDED INCREASES. SEPTEL CONTAINS MISSION COMMENT ON SECOND HALF OF RECOMMENDATION THIS PAPER PROPOSING THAT BOARD GIVE DG AUTHORIZATION INSTITUTE INCREASES OR DECREASES IN POST ADJUSTMENT AUTOMATICALLY. MISSION RECOMMENDS APPROVAL THIS RECOMMENDATION.

B) INTERIM ADJUSTMENT OF GS/M&O STAFF SALARIES: GOV/1624 INFORMS BOARD THAT TWO INDEXES USED IN CALCULATION OF COST OF LIVING FOR GS/M&O STAFF HAVE INCREASED SUFFICIENTLY TO WARRANT INTERIM ADJUSTMENT OF FIVE PER CENT INCREASE EFFECTIVE OCTOBER 1. EXTRA EXPENDITURE FOR 1973 WILL BE OBTAINABLE FROM AMOUNTS REQUESTED FOR TRANSFER BETWEEN SECTIONS OF BUDGET WITHOUT REQUIRING INCREASE IN SUPPLEMENTAL ASSESSMENT RECOMMENDED TO GENERAL CONFERENCE. MISSION RECOMMENDS US APPROVE GS/M&O INCREASE.

9. AGENDA ITEM 7 - TRANSFER OF FUNDS BETWEEN SECTIONS OF BUDGET FOR 1973: GOV/1627 CIRCULATED AUG 31. IN PROPOSES SMALL TRANSFERS OF FUNDS BETWEEN SECTIONS (\$23,000 FROM RESEARCH & ISOTOPES AND \$91,000 FROM SAFEGUARDS TO OTHER SECTION) AND PROVIDES BOARD APPROVAL FOR UTILIZATION OF SUPPLEMENTARY APPROPRIATION TO BE PRESENTED TO GENERAL CONFERENCE. AT SAME TIME, IT PROVIDES FOR BOARD ACTION DISCUSSED REF D TO INCREASE SUPPLEMENTAL APPROPRIATION TO AMOUNT REQUIRED TO ALLOW FOR CONTRIBUTION DUE FROM GDR AS NEW MEMBER AND INCREASED OTHER REVENUE INCOME ITEMS. TOTAL SUPPLEMENTARY APPROPRIATION WILL BE \$1.63-MISSION VICE \$1.32-MILLION WITH SUPPLEMENTARY ASSESSMENT UNCHANGED AT \$1.25-MISSION. MISSION RECOMMENDS THAT US APPROVE RECOMMENDED ACTION.

10. AGENDA ITEM 3 - BUDGET FOR 1974: SITUATION THIS ITEM STILL EXTREMELY FLUID, WITH ONLY CERTAINTY AT THIS POINT BEING THAT THERE WILL BE EXTREMELY HEATED DEBATE WHATEVER ACTION BOARD IS RE-

QUESTED TO TAKE. FYI: IT NOW APPEARS TO MISSION THAT CHANGE IN CURRENCY OF PAYMENT OF LOSING GROUND WITH STRENGTHENING OF DOLLAR, AND THIS ISSUE IS LESS LIKELY TO BE PART OF DISCUSSION. END FYI. MISSION WILL REPORT FURTHER SEPTEL. ASSUMING MATTERS ULTIMATELY TAKE COURSE DESIRED BY US, BOARD WOULD BE REQUESTED TO APPROVE INCREASE IN RECOMMENDED APPROPRIATION AND ASSESSMENT FOR 1974 IN AMOUNT NOT EXCEEDING ABOUT \$3.1-MILLION TO COMPENSATE FOR EFFECTS UNCLASSIFIED

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OF CURRENCY FLUCTUATIONS SINCE BOARD APPROVED BUDGET LAST JUNE. IN THIS EVENT, MISSION RECOMMENDS APPROVAL OF INCREASE IN RECOMMENDATION TO GC.

1. AGENDA ITEM 9 - FUTURE MEETINGS: NEXT MEETING OF BOARD WILL BE HELD FOLLOWING 17TH GENERAL CONFERENCE ON MONDAY, SEPT 24 OR TUESDAY, SEPT 25, DEPENDING ON TIME GC ADJOURNS. THAT MEETING WILL APPROVE CALENDAR OF MEETINGS FOR BOARD DURING 1973-4.

12. AGENDA ITEM 10 - APPLICATIONS FOR MEMBERSHIP: PER REF E, US WILL SUPPORT BOARD RECOMMENDATION THAT GC APPROVE APPLICATION FOR MEMBERSHIP FROM MONGOLIA.

13. AGENDA ITEM 11 - COOPERATION AGREEMENT WITH US: ASSUMING AMENDMENT TO US-AGENCY COOPERATION AGREEMENT (SUBJECT VARIOUS SEPTELS) IS READY IN TIME FOR SUBMISSION TO BOARD, MISSION ASSUMES WE WILL BE AUTHORIZED JOIN IN ITS APPROVAL. PORTER

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## Message Attributes

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**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** n/a  
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**Draft Date:** 04 SEP 1973  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
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**Previous Channel Indicators:**  
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**Reference:** A. IAEA VIENNA A-468  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** boyleja  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 14 DEC 2001  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <14-Dec-2001 by maustmc>; APPROVED <28 FEB 2002 by boyleja>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** IAEA BOARD OF GOVERNORS MEETING - SEPT 14, 1973  
**TAGS:** AORG, OCON, IAEA  
**To:** STATE  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005